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EUROPEAN UNION
THE COUNCIL

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NOTE

from : Presidency

to : Committee of Permanent Representatives

Subject : Meeting between Europe and Asia

Following discussions in the Committee of Permanent Representatives on 8 and 15 November, the preparation of the Union's position for the Europe-Asia Meeting on 1/2 March 1996 has been proceeding actively within the Union bodies.

On the basis of these discussions (in the Political Committee on 23 November and the Asia Working Party of 23 November), the Presidency has prepared a report of a global character in order to give an integrated picture of the situation and to suggest the possible content of the position the Union should take in discussions with the Asian countries at the Senior Officials Meeting in Madrid on 19 December (see Annex).

The report is composed of three sections, section I relating to general aspects of concern to all pillars, section II setting out issues in the CFSP framework and Section III on issues essentially economic. (1)

(1) It is recalled that the wording of the headings in the Annex does not prejudice the formulation of the items on the Agenda of the ASEM on which discussions are still proceeding.

The Committee is invited to consider the questions open in Section III where some waiting reserves are outstanding (pages 9 and 10) and also reserves on labour standards (page 9), macro economic and monetary issues (page 9) and cultural contacts and information (page 11).

In the light of discussion, the Committee could then recommend for approval the text in the Annex to the Foreign Affairs Council on 4 December with a view to its submission to the European Council in Madrid on 15/16 December next, as the basic position of the Union in discussions with the Asian countries at the Asia-EU Senior Officials Meeting in Madrid on 19 December 1995.

ANNEX

EUROPE-ASIA MEETING (ASEM)

Section I: General aspects

The Asia-Europe Meeting will constitute one of the most important initiatives undertaken by the European Union and its member states and 10 of the most dynamic countries in Asia.

In an historical event, the Heads of State or Government of the participating countries, and the President of the Commission, will meet jointly, accompanied by their Ministers of Foreign Affairs, in an exercise aimed at establishing a new partnership between Europe and Asia that will contribute to the global development of societies in both regions.

This new partnership should be based on the promotion of political dialogue, the deepening of economic relations and the reinforcement of cooperation in various fields.

The Union considers ASEM as an open, transparent and evolutive process, of informal nature, that should pursue, nevertheless, concrete and substantial results. It should, therefore, not affect the participants special relations with other areas of the world.

This first ASEM should be made so mutually worthwhile as to give impetus to the political will to intensify dialogue and relations between the two regions and lay a firm foundation for a new era in Euro-Asian relations. This exercise is one that looks into the future and aims at setting up a constructive climate of mutual understanding and cooperation in all political and economic areas of common interest.

It is desirable that participants should depart from the inaugural meeting with the agreement of both sides for the convening of a second ASEM in Europe (in 2/3 years). The Union should also propose that a flexible follow-up be considered to review the implementation of the decisions taken in ASEM.
The Union wishes that a final statement reflects the substantive agreements reached in ASEM.

The Union has listed a range of specific issues that can be discussed (see sections II and III) and has prepared detailed proposals. The overall approach to these issues should be comprehensive and balanced.

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SECTION II. PROMOTION OF POLITICAL DIALOGUE BETWEEN EUROPE AND ASIA.

(a) Enhancement of a broad Euro-Asia political dialogue

The promotion of political dialogue between both continents should aim at the advancement and consolidation of political stability and international security and at the deepening of mutual understanding in all areas.

This will require an intensification of contacts with a view to improving political cooperation between Europe and Asia in international organisations and in tackling international issues.

As one of the main objectives of the meeting, participants should make a clear commitment in this direction and should explore thepossibilities for cooperation by identifying common ground on the different issues discussed. Senior officials may in this respect single out specific issues and areas of particular relevance for such cooperation.

(b) Dialogue on values and codes that govern societies on both continents

Although a new partnership between Europe and Asia does not require identical values, ideas and social codes, there remains a need for greater understanding of differences in values and customs among participating countries.

The ASEM should encourage an open and wide-ranging dialogue between cultures and civilizations on both continents to facilitate the rapprochement of their societies. In this connection, the promotion of cultural, scientific and academic exchanges and informal dialogue between intellectuals, those who form public opinion, politicians and businessmen will contribute greatly to broaden the basis of mutual understanding and to discern more clearly the productive power of cultural diversity.

Human rights, the rule of law and good governance play a key role in furthering harmonious social development. In this respect, the ASEM participants should reflect on the close links between the political and economic aspects involved in building a secure, stable and democratic society.

ASEM should focus on promoting specific collaboration between participating nations, reaffirming at the same time the participants' commitments to the UN declarations and conventions on these matters.

(c) United Nations

ASEM participants could produce an exchange of views on the reform and funding of the organisation, as well as on their experiences and possible collaboration in the fields of peacekeeping and the use of preventive diplomacy.

(d) Processes of regional integration

This is a field of undoubted value in forging common interests and fostering intra-regional stability. An exchange of information on the political aspects of these processes and a discussion on where current processes on both continents might lead to will be mutually beneficial.

(e) **Cooperation in security matters**

The European Union should underline its readiness to contribute actively to peace and stability worldwide and in the Asia-Pacific, sharing its experiences in this field. In this respect, the ASEAN regional forum is a suitable framework for intensifying cooperation between the union and Asia.

In a two-way exchange of information, asem participants could focus on such items as cbm, conflict-resolution mechanisms, and new security architectures in Europe and Asia.

(f) **Non proliferation**

This should be considered a broad issue involving all non-proliferation concerns. ASEM should concentrate on a follow-up to the npt extension decisions, including a common approach to such issues as ctbt, fissile material cut-off convention, strengthening of iaea safeguards. Discussion should also cover prohibition and non-proliferation of chemical and biological weapons, reinforcement of export controls on conventional weapons, the unconventional arms register and controls on the use and transfer of anti-personnal mines.

SECTION III. - REINFORCEMENT OF ECONOMIC COOPERATION: TRADE, INVESTMENT, TRANSFER OF TECHNOLOGY AND PARTICIPATION OF PRIVATE SECTORS (TOPIC II OF THE ASEM AGENDA)

(a) Strengthening economic ties

Participating countries represent two of the most dynamic regions in the world. The current trade and investment flows between these regions do not, however, reflect their true economic potential. It should be noted that ASEM offers an exceptional opportunity for participating leaders to assess this potential and to take steps to exploit it more effectively. To this end Senior officials should consider ways which would aim at liberalisation and a strengthened multilateral discipline within the WTO. It would also identify specific measures which could be undertaken in participating countries in order to facilitate trade and investment.

(b) Reinforcing the open trading system

All efforts in ASEM should be guided by the principles of the WTO and the concept of open regionalism. Participants should strongly condemn all forms of unilateralism and reaffirm their commitment to the MFN principle. They should also resolve to work closely together in preparing for the Singapore WTO Ministerial. Emphasis should be placed on the completion and full implementation of the Uruguay Round.

In particular, ASEM should stress the need for a successful conclusion of the negotiation on liberalisation of telecommunications and maritime transport sectors and agree to join efforts to ensure that the interim agreement on financial services is succeeded by a more substantial package of permanent liberalisation commitments.

The Meeting should also express the wish that the participating countries not yet Parties to the WTO would be able to join soon.

The Meeting should agree to support moves towards further liberalisation, in particular through promoting wider participation and extended coverage in the existing Government Procurement agreement as well as through improving the level of intellectual property rights protection.

Senior officials could be asked to cooperate on this issue as well as for an ambitious agenda for future work in the WTO at the Singapour Ministerial, to be held in December 1996.

Important issues in this context could be inter alia trade and environment policies, trade and investment policies, trade and competition policies, and trade ([1]) and [labour standards]. ([2])

In addition the dialogue should be encouraged in order to exchange experiences in the area of regional integration and to highlight the conditions in which liberalism in regional contexts is compatible with an open multilateral system.([3])

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(1) Scrutiny reserve UK, NL.
(2) Reserves D, FIN, NL, UK on labour standards.
(3) The F delegation wishes that the following additional paragraph be added: "An exchange of views between both sides should take place on macroeconomic questions on the perspectives for growth in the two regions as well as on monetary issues".
The A, D, I, NL, S, UK delegations have reserves on this suggestion.

(c) Facilitating trade and investment

The Meeting should provide an opportunity to improve bilateral trade relations. To this end, senior officials should be instructed to identify measures that could facilitate trade between both regions.

The Meeting should allow for highlighting the need to increase investment in the two regions and to explore how best to establish favourable conditions to facilitate investment. The parties could note the ongoing negotiations taking place among industrialised countries in the OECD to devise a comprehensive multilateral agreement on investment and could recognise the desirability of extending the disciplines beyond the OECD members. In this context, senior officials could be invited to hold discussions aiming at giving investment a high priority in the WTO, with a view to launching negotiations for a multilateral framework for investment. A dialogue should be pursued on establishing international discipline in this area especially in regard to greater transparency about regulations on investment. ([1])

TOPIC III OF THE ASEM AGENDA PROMOTION OF COOPERATION IN VARIOUS FIELDS

(a) Human Resources

Emphasis should be laid on the development of human resources and of the conditions necessary for people to realize their potential. Promoting the mobility of young managers on a reciprocal basis between Europe and Asia is a particular priority as well as strengthening efforts in the area of primary and secondary education and vocational training. Language teaching and university exchanges programme as well as a two-way youth and student exchange should be envisaged.

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(1) Reserve UK which would prefer to maintain the following text it proposed:

"The need was recognized to increase investment between the two regions and to explore how best to establish favourable conditions to facilitate investment. A welcome was given to the discussion taking place in the OECD to devise a comprehensive multilateral agreement and the benefits of extending the disciplines beyond OECD Members through the outreach process was recognized. Agreement was noted to work together including at WTO for the subsequent establishment of a multilateral framework for investment."
D: sees merits in the UK proposal.

(b) Development Cooperation

Taking into account environmental aspects, development cooperation should be encouraged. Priority objectives should be improving the living conditions of the most disadvantaged groups, to alleviate poverty and to promoting the role of women.

(c) The importance of addressing environmental issues such as global warming, protection of water resources, deforestation and desertification, bio-diversity of species and recognition of the potential for mutually beneficial cooperation in this field should particularly be stressed.

(d) Cultural contacts and information

Priority should be given to develop mutual understanding between Europe and Asia through enhanced cultural contacts and information about each other's cultures, taking into account the role of the media. ([1])

(e) Promoting Business Cooperation

The Meeting could stress the importance of promoting mutual beneficial cooperation, including encouragement of frameworks for dialogue at the initiative of the private sector to enable European and Asian business leaders to identify new fields for industrial cooperation. Cooperation should address areas such as energy, transport, information and environmental technology, telecommunications and tourism. The particular needs of small and medium-sized enterprises will be a priority.

(f) Technology Crossflows

The meeting should express support for intensified technology cross flows between Asia and Europe through tighter co-operation in the field of research, greater networking between universities and facilitation of know-how transfers in high-technology sectors. Priority driving sectors could be the environment, information and communication technology and transport sectors. The importance of an adequate protection of intellectual property and an open climate for investment in this context should be recognized.

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(1) Reserve: F.

In this context, the member States of the European Union are particularly interested in sharing the expertise and know-how of Asian countries in the rapid transformation of technological breakthrough into industrial production processes.

(g) Combating drugs and illegal activities

Cooperation should be stepped up in the fields of drug trafficking and particular efforts devoted to reach an agreement on drug precursers and in the framework of fighting against money laundering. The meeting should also foster the dialogue on international crime. Cooperation should be encouraged to fight against illegal immigration networks with special attention to the question of readmission of illegal immigrants.

FOLLOW UP

An agreement should be reached for follow-up of progress in the above fields on the basis of a progress report by their Senior Officials on substantive action to be drawn up in 1997.